



ELECTRONICALLY FILED

May 24, 2007

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street SW
Washington DC 20554

Re: Section 272(f)(1) Sunset of the BOC Separate Affiliate and Related Requirements, WC Docket No. 02-112; Petitions of the Verizon Local and Long Distance Telephone Companies for Interim Waiver of and Forbearance from Dominant Carrier Regulations for In-Region, Interexchange Services, WC Docket No. 06-56

Dear Ms. Dortch

Covad Communications wishes to express its concerns regarding potential Commission action in the above-captioned proceeding(s) with regard to the dominant or non-dominant regulatory treatment of regional Bell operating company ("RBOC") in-region, interstate, interLATA telecommunications services when provided on an integrated basis and when not operating under a Section 272 affiliate.

We urge the Commission – regardless of whether done in the context of an order in the rulemaking proceeding in WC Docket No. 02-212 or in the context of addressing Verizon's forbearance petition in WC Docket No. 06-56 that comes due pursuant to Section 10 of the Act on May 29, 2007 – to take appropriate actions to ensure that competition and consumers are not harmed.

Specifically with regard to Verizon's forbearance petition, we believe that the Commission should deny Verizon's request outright and retain the status quo. The forbearance equation in Verizon's situation is not the same as it recently was in Qwest's situation.¹ Verizon's market power with regard to local, exchange access, and special access markets exceeds that of Qwest and, indeed, Verizon's market power appears to be growing. Consequently, Verizon has the ability (and the incentive) to misallocate its costs, discriminate against competitors, and unduly advantage its own wireline and

¹ *Petition of Qwest Communications Int'l, Inc. for Forbearance From Enforcement of the Commission's Dominant Carrier Rules As They Apply After Section 272 Sunsets*, Memorandum Opinion and Order, 22 FCC Rcd 5207 (2007) (granting Qwest forbearance (with conditions) from dominant carrier treatment of its in-region, interstate, interLATA telecommunications services).

wireless affiliates.’ If the Commission grants some degree of regulatory forbearance for Verizon, however, the Commission should be extremely vigilant to adopt any and all measures necessary to alleviate the resultant harm to competition

At the very least, the Commission should extend Verizon (and other RBOCs), as a starting point, the safeguards that were implemented in the context of Qwest’s related forbearance proceeding.³ More specifically, the following conditions applied to Qwest’s forbearance request would be equally necessary in a broader context to ensure that competition and consumers are protected:

- Implementation of special access performance metrics to prevent non-price discrimination in the provision of special access services;
- Revision of Cost Allocation Manuals (“CAMs”) to include charge imputation requirements and explanations that will help the Commission detect price discrimination
- Commitments to continue offering certain calling plans to protect residential customers who make few interstate, interLATA calls;
- Commitments to ensure ILEC subscribers continue to receive in their bills monthly usage information to facilitate consumers’ ability to make cost-effective decisions concerning alternative long-distance plans.

Thank you for your careful consideration of this matter.

Pursuant to Section 1.1206 of the Commission’s rules, a copy of this letter is being filed electronically in the above-referenced dockets. Please do not hesitate to contact me if you have any questions.

Sincerely,



Angela Simpson
Director, Government Affairs

² See, e.g., *Petitions of the Verizon Local and Long Distance Telephone Companies for Interim Waiver of and Forbearance from Dominant Carrier Regulations for In-Region, Interexchange Services*, Opposition of Sprint Nextel Corp., WC Docket No. 06-56 (filed Apr. 21, 2006).

³ See *Petition of Qwest Communications International Inc. for Forbearance from Enforcement of the Commission’s Dominant Carrier Rules As They Apply After Section 272 Sunsets*, Memorandum Opinion and Order, 22 FCC Rcd 5207 ¶¶ 63-70 (2007).